

**Diocesan Finance Council Highlights-Approved
Thursday, November 8, 2018**

Present were Bishop Robert Vasa, ten members of the Finance Council and three staff members. The minutes and highlights of the September meeting were approved without exception.

1. **Bishop Vasa called the meeting to order at 4:00 p.m. and led an opening prayer.** He said that it had been an interesting stock market and legislative month. The Bishop has submitted a list of all of the “Credibly Accused Clergy” to the District Attorney. In the January issue of the North Coast Catholic the Bishop plans to publish the list and also will request a paragraph from each parish and school concerning their Child and Youth Protection Programs. Bishop Vasa has asked the priests to celebrate three special masses each month during 2019: the first is for the healing and support of all victims of clergy sexual abuse, the second is for conversion and just punishment of the perpetrators and concealers of sexual abuse and the third is for the strength of bishops to be holy shepherds in protecting and leading their sheep from all harm. The Prayer to St. Michael after each of these Masses is to be offered for reparation and healing. The Bishop thanked the Finance Council members for their service to the Church. Father Govindu said that he appreciated that with the Bishop’s letter and NCC articles concerning victims, the Diocese is obviously not trying to hide this problem.
2. **Report of Diocesan Finance Officer:** Dave Adams reviewed the Monthly Finance Officers Report and noted that the balances did not significantly change between September 30 and October 31. Dave also reviewed the Accounts Receivable Summary – Balances over 60 days discussing the problems of some entities.
3. **Report of Legal Counsel:** Dan Galvin reported Governor Brown had vetoed the bill re-opening the statute of limitations and with the new Governor Newsom coming into office, there will likely be another bill forthcoming. The attorneys of the Catholic Conference are looking for strategies to assist the (arch)dioceses. Dan also mentioned that the Attorney General had tweeted a request that victims contact their District Attorneys. With Adrienne Moran’s assistance the class action suit against St. Francis Solano School had been settled. The Ochoa mediation is scheduled for mid-December. The two Hanna suits have motions for summary judgement. The attorneys have been working on construction contracts, a road easement in Booneville and the St. Helena Parish Life Center contractor dispute. They are also working toward transferring properties from the Diocese to the parishes.
4. **Committee Reports**
 - A. **Budget and Cash Flow Committee:** Dan Prince reported that the committee met and most importantly there was a positive variance through October 31 of \$69,507. Quickbooks within the Right Networks Cloud has been successfully installed in five pilot parishes. After the remaining parishes are updated, the next step will be a standard chart of accounts. The Bishop mentioned that there was some confusion about using accrual accounting. Dan Prince explained that this is a more accurate accounting process. There was a question on why some parishes had their payroll done at the Chancery. Dave explained that the parishes on Chancery payroll had requested this assistance. The Priests payroll has been done by the Chancery for many years as a way to make sure they all receive their W2 forms. Bishop Vasa said it is important to raise the competency of our parish office staff and bookkeepers.

- B. Membership:** Evert Fernandez had completed his first five year term and Bishop Vasa will contact him to verify if he is available for another term.
- C. Communications:** Dave Adams reported that the NCC would be undergoing a transformation in the next two quarters to reach more readers through reducing the cost of the publication. Current distribution is 8547 and target will be 40,000. Work is being done on creating the mailing list from each of the parishes and in conjunction with the appeals office. Chris has been working with Lynne Peters, and has delivered the new directory inserts to the priests and parishes.
- D. Investment:** Daniel Catone stated that this quarter was one of the worst since 2008, along with poor performance in February 2018. Investments are under performing against their benchmarks, however, the benchmarks may not be the best targets as some of the benchmark investments are not Socially Responsible Investments (SRI).
- E. Audit:** Steve Imboden reported that the Audit Committee had met on October 9 and reviewed the financial statements for the fiscal year ended June 30, 2018, line by line. They reviewed the management letter and year-end adjustments, both entries were standard and not significant. The auditor was asked to change only some slight verbiage. The Diocese received the unqualified opinion that the statements were accurate pursuant to GAAP. It is the Audit Committees recommendation that these statements be approved as presented. Bishop also said that this past year the priests had increased their retirement benefit and so the corresponding pension liability increased also. Dave Adams said that with the market volatility, the pension liability would likely increase again next year. **Steve Imboden presented the Audit Committee motion that the financial exhibits for the Diocese of Santa Rosa for the fiscal year ending June 30, 2018 be approved as drafted together with the revisions/corrections offered during the October 9, 2018 Audit Committee meeting. All approved.** Dave Adams thanked Steve and Dan for their support and assistance in the Audit Committee.
- F. Property:** Marty McCormick said that a lot-line adjustment for the parking area would be needed to clear title on the new Priests Retirement home. St. Rose School also needs a lot-line adjustment. Bishop Vasa said that he would like to sell the Snake Ranch property and asked Dan Galvin to explore giving it away.
- G. Building and Construction:** Dave Adams reported that there are a variety of small projects underway such as the solar project at Holy Spirit, roof work and also the Cardinal Newman High School Humanities wing and the master plan for the campus. CNHS will likely need a fundraising campaign.
- H. Insurance and Human Resources:** Dave Adams reported that Cardinal Newman was trying to resolve the settlement on the Humanities wing and other buildings. The Humanities building has dry rot, which was not caused by the fire and cannot be part of the claim. Bishop Vasa mentioned that Sunday was the dedication of the St. Rose Preschool building. Principal Ryan was quite pleased with how wonderful Catholic Mutual was to work with.
- I. Development:** Bishop Vasa reported that in the Capital Campaign there are pledges of \$2.2 million due through the end of 2019. Pastors should remind parishioners about how much the campaign has helped the parishes and strengthened the Diocese. On the Annual Ministry Appeal, there is \$81,925 scheduled to be returned to the parishes that have donations in excess of their targets. Only 4656 donors have pledged in the Annual

Appeal. Suggestions to increase participation included: mailed solicitations, with a good mailing database, perhaps three times annually; a group that goes to the parishes to make the appeal or witness with the Pastor's support; a development committee to assist the parishes; and Deacon Norris's "last year but not this year donor solicitation from Pastors". Bishop Vasa said that ultimately we need to build back confidence and trust in the Diocese.

5. **Other Business:** Dave Adams presented the Annual Parish Report Summary for the fiscal year ending June 30, 2018. He highlighted that some parishes have very little Ordinary Income and that this is not sufficient to support a full time Pastor. Dave also stated that the total revenue from all sources for last year was \$22.6 million, the total cash and investments for all of the parishes is \$19.7 million. Dave said that there was a canonical requirement that this information be presented. **Marty McCormick made the motion that the Council accept the Annual Parish Report Summary for the fiscal year ending June 30, 2018. Dan Prince seconded the motion and all approved.**
6. **Tentative Dates for meetings** were set and the meeting adjourned.